

Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 EB-07 L-02 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 PRS-01

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DRAFTED BY AF/E:RBRESLER:SM X23355

APPROVED BY AF/E:WBCOOTE

EB/OCA/BR:HCAHILL

L/AF:CSCHMITZ

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R 212226Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY TANANARIVE

C O N F I D E N T I A L STATE 014339

E.O. 11652:GDS

TAGS: EINV, MA

SUBJECT:MALAGASY GOVERNMENT CHARGES AGAINST OIL MARKETING
COMPANIES

REF: TANANARIVE 0067

1. CALTEX REPRESENTATIVES LAVERY AND MCMILLAN CALLED ON
DEPTOFF JANUARY 20 TO DISCUSS GOMR CHARGES AGAINST OIL
MARKETING COMPANIES. AFTER REVIEWING RECENT DEVELOPMENTS
ALONG LINES REFTEL MCMILLAN PRESENTED DEPTOFF WITH
MEMORANDUM OUTLINING CALTEX POSITION. COPY BEING POUCHED
TO EMBASSY. MCMILLAN ASKED WHETHER DEPT COULD HELP BRING
GOMR AROUND. DEPTOFF REPLIED THAT AMBASSADOR MENDENHALL
HAD INDICATED HE WAS WILLING TO AGAIN CALL ON MINISTER OF
ECONOMY AND FINANCE AFTER PROCES VERBAUX HAVE BEEN SIGNED
TO URGE THAT LOCAL CALTEX OFFICERS BE PERMITTED TO LEAVE
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COUNTRY. DEPTOFF ADDED THAT DEPT WOULD DO WHAT IT COULD

TO HELP REVERSE GOMR POSITION ON FINES, BUT IS NOT IN A POSITION TO APPLY MUCH PRESSURE. CALTEX REPRESENTATIVES SAID THEY BELIEVED APPROACH BY AMBASSADOR ON TRAVEL QUESTION WOULD BE HELPFUL BUT THOUGHT IT SHOULD FIRST BE CLEARED WITH DASHIELL. DEPTOFF ASSURED CALTEX REPRESENTATIVES THAT APPROACH WOULD BE MADE ONLY WITH DASHIELL'S CONCURRENCE.

2. MCMILLAN SAID THAT PRESENT DIFFICULTIES PROBABLY STEM FROM SHELL OIL'S REFUSAL LAST FEBRUARY TO IMPORT MORE PETROLEUM UNTIL LOCAL PRICES INCREASED. AT THAT TIME GOMR UNREALISTICALLY EXPECTED OIL COMPANIES TO DISTRIBUTE PETROLEUM IN MADAGASCAR AT A LOSS. ALSO GOMR APPARENTLY WOULD LIKE TO OWN TAMATAVE REFINERY, BUT DOES NOT HAVE SUFFICIENT FOREIGN EXCHANGE TO PURCHASE IT. CALTEX HAS DISCUSSED WITH GOMR POSSIBLE SALE OF ITS SHARE IN REFINERY BUT WILL NOT ACCEPT PAYMENT IN MALAGASY FRANCS AS OFFERED BY GOMR. MCMILLAN SAID THAT IF LOCAL EMPLOYEES ARRESTED FOR NON-PAYMENT OF FINE CALTEX PROBABLY WOULD BE WILLING TO GIVE ITS SHARE OF REFINERY TO GOMR IN PAYMENT OF FINE IF EMPLOYEES WOULD BE ALLOWED TO LEAVE. HOWEVER HE DID NOT THINK GOMR WOULD ARREST LOCAL CALTEX REPRESENTATIVES.

3. MCMILLAN NOTED THAT IN RECENT LETTER DASHIELL STATED THAT HE DID NOT BELIEVE IT WOULD BE PRUDENT TO BE EXPLICIT IN WRITING AT THIS TIME. DEPTOFF OFFERED TO PASS ANY FUTURE SENSITIVE CALTEX MESSAGES THROUGH AF/E AND EMBASSY. MCMILLAN SAID HE APPRECIATED THIS OFFER. SUGGEST EMBASSY INFORM DASHIELL THAT IT WILLING TO PASS SENSITIVE MESSAGES IN OPPOSITE DIRECTION.

4. JANUARY 16 DASHIELL/MCMILLAN CABLE STATES THAT 15 EUROPEAN BUSINESSMEN AND TWO ESSO AGENTS ARE PRESENTLY IN PRISON IN MADAGASCAR. DEPT WOULD APPRECIATE ANY FURTHER INFORMATION EMBASSY MIGHT HAVE ON THIS SUBJECT. KISSINGER

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